

MIKE BEEBE
GOVERNOR

A. HEATH ABSHURE
COMMISSIONER



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ARKANSAS SECURITIES DEPARTMENT

May 26, 2009

Wendi Y. Jones
Executive Director
Washington County Habitat for Humanity
2371 Green Acres Road, Suite 1
Fayetteville, AR 72703

RE: Washington County Habitat for Humanity
No Action Letter No. 09-43320-CS

Dear Ms. Jones:

The Arkansas Securities Department ("Department") is in receipt of your letter dated May 26, 2009, requesting that the Department issue a no action letter concerning the claim of exemption from the licensing requirements contained in the Arkansas Fair Mortgage Lending Act ("FMLA") for the Washington County Habitat for Humanity. A copy of your request letter is attached for your reference.

Based on the specific facts contained in your request letter, at the present time the Staff of the Department will recommend that the Arkansas Securities Commissioner take no enforcement action against the Washington County Habitat for Humanity, if it does not obtain a license from the Department prior to engaging in the activities detailed in your request letter.

Please note that the position of the Staff of the Department is based solely upon the representations made in your request letter and applies only to the facts as set out therein. Different facts or circumstances might and often would require a different response from the Staff of the Department. The position of the Staff of the Department expressed in this letter only dealt with anticipated enforcement action by the Department. Further, the position of the Staff of the Department does not purport to be and should not be interpreted to be a legal opinion.

Sincerely,

A handwritten signature in cursive script that reads "Scott S. Freydl".

Scott S. Freydl
Staff Attorney

Attachment



Habitat
for Humanity[®]
of Washington County
Arkansas

*Helping God's Children in need by
providing a hand up, not a hand out!*

May 26, 2009

Mr. Scott Freydl
Arkansas Securities Department
Heritage West Building, Suite 300
Little Rock, AR 72201-1692

Dear Mr. Freydl:

I am writing to request a letter from your office specifically stating that Habitat for Humanity of Washington County is exempt from the licensing requirement under the Fair Mortgage Lending Act.

The recent House Bill 1881 passed by the General Assembly of the State of Arkansas amending the Fair Mortgage Lending Act, 23-39-501, provides for an exemption of a nonprofit corporation that:

- 1) Qualifies as a nonprofit entity under 501(c)3 of the Internal Revenue Code,
- 2) Is not primarily in the business of soliciting or brokering mortgage loans, and
- 3) Makes or services mortgage loans to promote home ownership for the disadvantaged.

Habitat for Humanity of Washington County was incorporated on December 19, 1991 as a 501(c)3 organization, and our registration with the AR Attorney General's office is current. The mission of Habitat for Humanity is to approve and partner with low-income families (as defined by HUD income guidelines) in Washington County to help them build and own their own homes. Upon completion, the homes are financed at cost for 20-25 years with no interest charged. Closing costs are paid to the title company for Title Insurance, deed preparation, one year's hazard insurance, and the revenue stamps. No commissions are paid to anyone. The affiliate does not solicit or broker mortgages.

I appreciate the fact that our legislators have made provisions for exemptions in Section 1 (B) (viii) of HB 1881 that would apply to Habitat affiliates. I would, however, appreciate a letter specifically stating that our Habitat affiliate is exempt.

Thank you very much for your consideration and assistance.

Sincerely,

Wendi Y. Jones
Executive Director